and "indirect" categories agricultural advances lor the purpose of computing performing of banks vis-a-vis the sub-target. While the classification of agricultural advances into "direct" and "indirect" will continue as hitherto, it has been decided that agricultural lending under the "indirect" category should not exceed one-fourth of the sub-target of 18 per cent i.e. 4.5 per of the net bank credit for the purpose of computing the target of 18 per cent Aii) Agricultural produce mar keting loans/advances upto Rs. 25000 instead of Rs. 5000 as at present to farmers against pledge/hypothecation of agricultural produce for a period not exceeding six months will be reckoned as direct agricultural ad vances, (iii) Short term advance to cultivators of traditional plantations (tea, coee, rubber and spices) upto 20 acres irrespective of whether they have their own processing facility or not were made eligible for inclusion under the Priority Sector.

(iv) Advances granted to SST units whose investment in plant and machinery does not exceed Rs. 60 lakhg (Rs. 75 lakhs in case of ancillary units and export oriented units) are to be classified under the priority sector.

(v) At least 40 per cent of the advances under the SSI segment within the priority sector is to be granted to cottage industries Khadi and Village Industries, artisans. Tiny Industries (with investment jn plant machinery upto Rs. 5 lakhs) or other SSI units availing credit limits upto Rs. 5 lakhs.

Equity holding by IFCI and IDBI

6896. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether any committee of ex-perts/commission has made any recomr mendations of the ideal extent of equities to be held by financial institutions like IDBI and IFCI;

(b) if so, what are the limits set up for holding equity by IFCI and IDBI;

(c) whether equity holdings should be reduced; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.-V. CHANDRASHEKARA MURTHY): (a) and(b) Industrial Development Bank of India (IDBI) has reported that finan cial institutions (FIs) such as IDBI and Industrial Finance Corporation of India Limited (IFCI) invest in equity of industrial units as a part of their normal projects financial operations. The magnitude of investment in equity of industrial units depends upon the means of finance of the project and the commercial assessment of the institutions .

(c) and (d) IDBI has reported that FIs periodically disinvest their equity holdings in industrial concerns with a view to recycling of funds depending up on the market conditions and other related factors.

Streamlining the functioning of Financial Institution!

6897. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether Government will consider streamlining the functioning of financial institutions;

(b) whether any study has been made of their holdings in private sector companies;

(c) whether it b a fact that equity hold ing? in large companies like ITC and TISCO have no Social or development objective; and

(d) the steps proposed for converting equity into liquidity?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The basic role of financial institutions